(d) if so, the assessment of Government?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V.RAJASEKHARAN): (a) and (b) There is no proposal to discontinue subsidies to the farm sector. However, there is a need to review certain aspects of subsidies that tend to distort cropping patterns and could also have damaging effects on natural resoruces.

(c) This will be an important consideration in the above review.

(d) Does not arise.

Transfer of funds to States

1796. SHRIMATIVANGAGEETHA: Will the PRIME MINISTER be pleased to state:

(a) whether Government have stipulated that henceforth there should no transfer of funds including plan assistance, in the form of loans from the Centre to the States; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V.RAJASEKHARAN): (a) and (b) The Twelfth Finance Commission has recommended that the system of imposing a 70:30 ration between Loans and Grants for extending Plan Assistance to the Non-special category States (10:90 incase of special category States) should be done way with. Instead, the Centre should confine itself to extending plan grants to the States and leave it to the States to decide how much they wish to borrow and from whom. The Government of India has accepted the recommendations of the Twelfth Finance Commission for the period 2005-2010.

Special grant to Tamil Nadu

†1797. PROF. R.B.S. VARMA Will the PRIME MINISTER be pleased to state:

(a) whether the Tamil Nadu Government has requested the Central Government for special grants;

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† Original notice of the question was received in Hindi.